



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2005 REGULAR SESSION

SENATE BILL NO. 39

MONDAY, FEBRUARY 7, 2005

The following bill was reported to the House from the Senate and ordered to be printed.

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 Section 1. KRS 12.020 is amended to read as follows:

2 Departments, program cabinets and their departments, and the respective major
3 administrative bodies that they include are enumerated in this section. It is not intended
4 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
5 bureau, interstate compact, commission, committee, conference, council, office, or any
6 other form of organization shall be included in or attached to the department or program
7 cabinet in which they are included or to which they are attached by statute or statutorily
8 authorized executive order; except in the case of the Personnel Board and where the
9 attached department or administrative body is headed by a constitutionally elected officer,
10 the attachment shall be solely for the purpose of dissemination of information and
11 coordination of activities and shall not include any authority over the functions,
12 personnel, funds, equipment, facilities, or records of the department or administrative
13 body.

14 I. Cabinet for General Government - Departments headed by elected officers:

- 15 1. The Governor.
- 16 2. Lieutenant Governor.
- 17 3. Department of State.
- 18 (a) Secretary of State.
- 19 (b) Board of Elections.
- 20 (c) Registry of Election Finance.
- 21 4. Department of Law.
- 22 (a) Attorney General.
- 23 5. Department of the Treasury.
- 24 (a) Treasurer.
- 25 6. Department of Agriculture.

1 (a) Commissioner of Agriculture.

2 (b) Kentucky Council on Agriculture.

3 7. Auditor of Public Accounts.

4 II. Program cabinets headed by appointed officers:

5 1. Justice Cabinet:

6 (a) Department of State Police.

7 (b) Department of Criminal Justice Training.

8 (c) Department of Corrections.

9 (d) Department of Juvenile Justice.

10 (e) Office of the Secretary.

11 (f) Offices of the Deputy Secretaries.

12 (g) Office of General Counsel.

13 (h) Division of Kentucky State Medical Examiners Office.

14 (i) Parole Board.

15 (j) Kentucky State Corrections Commission.

16 (k) Commission on Correction and Community Service.

17 2. Education, Arts, and Humanities Cabinet:

18 (a) Department of Education.

19 (1) Kentucky Board of Education.

20 (b) Department for Libraries and Archives.

21 (c) Kentucky Arts Council.

22 (d) Kentucky Educational Television.

23 (e) Kentucky Historical Society.

24 (f) Kentucky Teachers' Retirement System Board of Trustees.

25 (g) Kentucky Center for the Arts.

26 (h) Kentucky Craft Marketing Program.

27 (i) Kentucky Commission on the Deaf and Hard of Hearing.

- 1 (j) Governor's Scholars Program.
- 2 (k) Governor's School for the Arts.
- 3 (l) Operations and Development Office.
- 4 (m) Kentucky Heritage Council.
- 5 (n) Kentucky African-American Heritage Commission.
- 6 (o) Board of Directors for the Center for School Safety.
- 7 3. Natural Resources and Environmental Protection Cabinet:
- 8 (a) Environmental Quality Commission.
- 9 (b) Kentucky Nature Preserves Commission.
- 10 (c) Department for Environmental Protection.
- 11 (d) Department for Natural Resources.
- 12 (e) Department for Surface Mining Reclamation and Enforcement.
- 13 (f) Office of Legal Services.
- 14 (g) Office of Information Services.
- 15 (h) Office of Inspector General.
- 16 4. Transportation Cabinet:
- 17 (a) Department of Highways.
- 18 1. Office of Program Planning and Management.
- 19 2. Office of Project Development.
- 20 3. Office of Construction and Operations.
- 21 4. Office of Intermodal Programs.
- 22 5. Highway District Offices One through Twelve.
- 23 (b) Department of Vehicle Regulation.
- 24 (c) Department of Administrative Services.
- 25 (d) Department of Aviation~~[Fiscal Management]~~.
- 26 (e) Department of Intergovernmental Programs~~[Rural and Municipal Aid]~~.
- 27 1. Office of Transportation Enhancement Programs.

2. Office of Rural and Secondary Roads.

(f) ~~Department of Human Resources Management.~~

(g) Office of the Secretary.

1.(h) Office of ~~General Counsel and~~ Legislative **and Intergovernmental** Affairs.

2.(i) Office of Public Affairs.

3.(j) Office of Transportation Delivery.

4.(k) Office **for Business and Occupational Development** ~~of Minority Affairs~~.

5.(l) Office of ~~Policy and~~ Budget **and Fiscal Management**.

6.(m) Office of **Legal Services** ~~Technology~~.

7.(n) Office of **Inspector General** ~~Quality~~.

8.(o) Office of the Transportation Operations Center.

9. Office of Personnel Management.

5. Cabinet for Economic Development:

(a) Department of Administration and Support.

(b) Department for Business Development.

(c) Department of Financial Incentives.

(d) Department of Community Development.

(e) Department for Regional Development.

(f) Tobacco Research Board.

(g) Kentucky Economic Development Finance Authority.

6. Environmental and Public Protection Cabinet:

(a) Public Service Commission.

(b) Department of Insurance.

(c) Department of Housing, Buildings and Construction.

(d) Department of Financial Institutions.

- 1 (e) Department of Mines and Minerals.
- 2 (f) Department of Public Advocacy.
- 3 (g) Department of Alcoholic Beverage Control.
- 4 (h) Kentucky Horse Racing Authority.
- 5 (i) Board of Claims.
- 6 (j) Crime Victims Compensation Board.
- 7 (k) Kentucky Board of Tax Appeals.
- 8 (l) Office of Petroleum Storage Tank Environmental Assurance Fund.
- 9 (m) Department of Charitable Gaming.
- 10 (n) Mine Safety Review Commission.
- 11 7. Cabinet for Families and Children:
- 12 (a) Department for Community Based Services.
- 13 (b) Department for Disability Determination Services.
- 14 (c) Public Assistance Appeals Board.
- 15 (d) Office of the Secretary.
- 16 (1) Kentucky Commission on Community Volunteerism and Service.
- 17 (e) Office of the General Counsel.
- 18 (f) Office of Program Support.
- 19 (g) Office of Family Resource and Youth Services Centers.
- 20 (h) Office of Technology Services.
- 21 (i) Office of the Ombudsman.
- 22 (j) Office of Human Resource Management.
- 23 8. Cabinet for Health Services.
- 24 (a) Department for Public Health.
- 25 (b) Department for Medicaid Services.
- 26 (c) Department for Mental Health and Mental Retardation Services.
- 27 (d) Kentucky Commission on Children with Special Health Care Needs.

- 1 (e) Office of Certificate of Need.
- 2 (f) Office of the Secretary.
- 3 (g) Office of the General Counsel.
- 4 (h) Office of the Inspector General.
- 5 (i) Office of Aging Services.
- 6 9. Finance and Administration Cabinet:
- 7 (a) Office of Financial Management.
- 8 (b) Office of the Controller.
- 9 (c) Department for Administration.
- 10 (d) Department of Facilities Management.
- 11 (e) State Property and Buildings Commission.
- 12 (f) Kentucky Pollution Abatement Authority.
- 13 (g) Kentucky Savings Bond Authority.
- 14 (h) Deferred Compensation Systems.
- 15 (i) Office of Equal Employment Opportunity Contract Compliance.
- 16 (j) Office of Capital Plaza Operations.
- 17 (k) County Officials Compensation Board.
- 18 (l) Kentucky Employees Retirement Systems.
- 19 (m) Commonwealth Credit Union.
- 20 (n) State Investment Commission.
- 21 (o) Kentucky Housing Corporation.
- 22 (p) Governmental Services Center.
- 23 (q) Kentucky Local Correctional Facilities Construction Authority.
- 24 (r) Kentucky Turnpike Authority.
- 25 (s) Historic Properties Advisory Commission.
- 26 (t) Kentucky Tobacco Settlement Trust Corporation.
- 27 (u) Eastern Kentucky Exposition Center Corporation.

- 1 (v) State Board for Proprietary Education.
- 2 10. Labor Cabinet:
- 3 (a) Department of Workplace Standards.
- 4 (b) Department of Workers' Claims.
- 5 (c) Kentucky Labor-Management Advisory Council.
- 6 (d) Occupational Safety and Health Standards Board.
- 7 (e) Prevailing Wage Review Board.
- 8 (f) Workers' Compensation Board.
- 9 (g) Kentucky Employees Insurance Association.
- 10 (h) Apprenticeship and Training Council.
- 11 (i) State Labor Relations Board.
- 12 (j) Kentucky Occupational Safety and Health Review Commission.
- 13 (k) Office of Administrative Services.
- 14 (l) Office of Information Technology.
- 15 (m) Office of Labor-Management Relations and Mediation.
- 16 (n) Office of General Counsel.
- 17 (o) Workers' Compensation Funding Commission.
- 18 (p) Employers Mutual Insurance Authority.
- 19 11. Revenue Cabinet:
- 20 (a) Department of Property Valuation.
- 21 (b) Department of Tax Administration.
- 22 (c) Office of Financial and Administrative Services.
- 23 (d) Department of Law.
- 24 (e) Department of Information Technology.
- 25 (f) Office of Taxpayer Ombudsman.
- 26 12. Tourism Development Cabinet:
- 27 (a) Department of Travel.

- 1 (b) Department of Parks.
- 2 (c) Department of Fish and Wildlife Resources.
- 3 (d) Kentucky Horse Park Commission.
- 4 (e) State Fair Board.
- 5 (f) Office of Administrative Services.
- 6 (g) Office of General Counsel.
- 7 (h) Tourism Development Finance Authority.

8 13. Cabinet for Workforce Development:

- 9 (a) Department for Adult Education and Literacy.
- 10 (b) Department for Technical Education.
- 11 (c) Department of Vocational Rehabilitation.
- 12 (d) Department for the Blind.
- 13 (e) Department for Employment Services.
- 14 (f) Kentucky Technical Education Personnel Board.
- 15 (g) The Foundation for Adult Education.
- 16 (h) Department for Training and Reemployment.
- 17 (i) Office of General Counsel.
- 18 (j) Office of Communication Services.
- 19 (k) Office of Workforce Partnerships.
- 20 (l) Office of Workforce Analysis and Research.
- 21 (m) Office of Budget and Administrative Services.
- 22 (n) Office of Technology Services.
- 23 (o) Office of Quality and Human Resources.
- 24 (p) Unemployment Insurance Commission.

25 14. Personnel Cabinet:

- 26 (a) Office of Administrative and Legal Services.
- 27 (b) Department for Personnel Administration.

- 1 (c) Department for Employee Relations.
- 2 (d) Kentucky Public Employees Deferred Compensation Authority.
- 3 (e) Kentucky Kare.
- 4 (f) Division of Performance Management.
- 5 (g) Division of Employee Records.
- 6 (h) Division of Staffing Services.
- 7 (i) Division of Classification and Compensation.
- 8 (j) Division of Employee Benefits.
- 9 (k) Division of Communications and Recognition.
- 10 (l) Office of Public Employee Health Insurance.

11 III. Other departments headed by appointed officers:

- 12 1. Department of Military Affairs.
- 13 2. Council on Postsecondary Education.
- 14 3. Department for Local Government.
- 15 4. Kentucky Commission on Human Rights.
- 16 5. Kentucky Commission on Women.
- 17 6. Department of Veterans' Affairs.
- 18 7. Kentucky Commission on Military Affairs.
- 19 8. The Governor's Office for Technology.
- 20 9. Commission on Small Business Advocacy.
- 21 10. Education Professional Standards Board.

22 Section 2. KRS 174.020 is amended to read as follows:

- 23 (1) The Transportation Cabinet shall consist of the following major organizational
- 24 units:
- 25 (a) The Office of the Secretary, which shall include, but not be limited to:
- 26 1. The secretary to be appointed by the Governor under KRS 12.255; and
- 27 2. The deputy secretary appointed under KRS 12.040;

- 1 (b) The Department of Highways, headed by a commissioner, appointed by the
- 2 Governor under KRS 12.040 on the recommendation of the secretary;
- 3 (c) The Department of Vehicle Regulation, headed by a commissioner, appointed
- 4 by the secretary with the approval of the Governor, under KRS 12.040;
- 5 (d) The Department of Intergovernmental Programs~~[Rural and Municipal Aid]~~,
- 6 headed by a commissioner appointed by the Governor under KRS 12.040;
- 7 (e) The Department of Aviation~~[Fiscal Management]~~, headed by a commissioner
- 8 appointed by the Governor under KRS 12.040. The Kentucky Airport Zoning
- 9 Commission established by KRS 183.861 shall be attached to the
- 10 Department of Aviation for administrative purposes;
- 11 (f) The Department of Administrative Services, headed by a commissioner
- 12 appointed by the Governor under KRS 12.040;
- 13 ~~(g) The Department of Human Resources Management, headed by a~~
- 14 ~~commissioner appointed by the Governor under KRS 12.040;~~
- 15 ~~(h)~~ The following offices, which shall be attached to the Office of the Secretary:
- 16 1. The Office of Public Affairs, headed by an executive director appointed
- 17 under KRS 12.040;
- 18 2. The Office of~~[Policy and]~~ Budget and Fiscal Management, headed by
- 19 an executive director appointed under KRS 12.040;
- 20 3. The Office of Transportation Delivery, headed by an executive director
- 21 appointed under KRS 12.040;
- 22 4. The Office of~~[General Counsel and]~~ Legislative and
- 23 Intergovernmental Affairs, headed by an executive director appointed
- 24 under KRS 12.040;
- 25 5. The Office for Business and Occupational Development~~[of Minority~~
- 26 ~~Affairs]~~, headed by an executive director appointed under KRS 12.040;
- 27 6. The Office of Legal Services~~[Technology]~~, headed by an executive

1 director appointed under KRS 12.040;

2 7. The Office of *Inspector General*~~[Quality]~~, headed by an executive
3 director appointed under KRS 12.040;

4 8. The Office of Transportation Operations Center, headed by an executive
5 director appointed under KRS 12.040;

6 **9. The office of Personnel Management, headed by an executive director**
7 **appointed under KRS 12.040;**

8 ~~(h)~~~~(i)~~ The following offices, which shall be attached to the Department of
9 Highways:

10 1. The Office of Program Planning and Management, headed by an
11 executive director appointed under KRS 12.040, who shall be a
12 registered professional engineer under KRS Chapter 322, and known as
13 the deputy state highway engineer for program planning and
14 management;

15 2. The Office of Project Development, headed by an executive director
16 appointed under KRS 12.040, who shall be a registered professional
17 engineer under KRS Chapter 322, and who shall be known as the deputy
18 state highway engineer for project development;

19 3. The Office of Construction and Operations, headed by an executive
20 director appointed under KRS 12.040, who shall be a registered
21 professional engineer under KRS Chapter 322, and who shall be known
22 as the deputy state highway engineer for construction and operations;

23 4. The Office of Intermodal Programs, headed by an executive director
24 appointed under KRS 12.040, who shall be a registered professional
25 engineer under KRS Chapter 322, and who shall be known as the deputy
26 state highway engineer for intermodal programs~~[- The Kentucky Airport~~
27 ~~Zoning Commission established by KRS 183.861 shall be attached to~~

the Division of Aeronautics within the Office of Intermodal Programs
for administrative purposes]; and

5. Highway District Offices One through Twelve, each district office to be headed by a chief highway district engineer, appointed by the secretary upon the recommendation of the commissioner and the state highway engineer, with the approval of the Governor;

(i) The following offices, which shall be attached to the Department of Intergovernmental Programs:

- 1. Office of Transportation Enhancement Programs, headed by an executive director appointed under KRS 12.040; and**
- 2. Office of Rural and Secondary Roads, headed by an executive director appointed under KRS 12.040.**

- (2) The positions of director in the Division of Fleet Management, Division of Professional Services, and Division of Environmental Analysis are policy-making positions under KRS 18A.175.

Section 3. KRS 174.016 is amended to read as follows:

- (1) The **Office of Rural and Secondary Roads within the** Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ shall be responsible for the development and implementation of the Rural Secondary Program and such other functions as are assigned by the secretary, except that the department shall not have jurisdiction over the County Road Aid Program or Municipal Road Aid Program unless an agreement initiated by a county or municipality is in effect.
- (2) The Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ shall include an assistant state highway engineer for rural and municipal aid appointed pursuant to KRS Chapter 12 by the secretary upon the recommendation of the state highway engineer of the Department of Highways.

Section 4. KRS 174.025 is amended to read as follows:

1 The executive director of the Office of **Legal Services**~~[General Counsel and Legislative~~
 2 ~~Affairs]~~ may also serve as general counsel if so appointed pursuant to KRS 12.210. The
 3 Office of **Legal Services**~~[General Counsel and Legislative Affairs]~~ shall be directly
 4 responsible to the secretary and shall perform such duties as may be assigned by the
 5 secretary. The office shall consist of such **attorneys** appointed pursuant to KRS 12.210
 6 and such employees as necessary to perform the duties, responsibilities, and functions of
 7 the office.

8 Section 5. KRS 174.040 is amended to read as follows:

9 The secretary shall have any and all necessary power and authority, subject to appropriate
 10 provisions of the statutes, to create such positions and to employ the necessary personnel
 11 in such positions to enable the secretary to perform the functions of the cabinet. The
 12 commissioner of the Department of Highways shall serve as chief deputy secretary of the
 13 cabinet. The commissioner of the Department of **Intergovernmental Programs**~~[Rural and~~
 14 ~~Municipal Aid]~~ and the commissioner of the Department of Vehicle Regulation may be
 15 designated as deputy secretaries for operational purposes.

16 Section 6. KRS 177.020 is amended to read as follows:

- 17 (1) The state primary road system shall consist of such public roads and city streets
 18 within the state as the Department of Highways determines shall be established,
 19 constructed, or maintained by the Department of Highways.
- 20 (2) The department shall, in its discretion, determine which public roads, or city streets,
 21 shall be established, constructed, or maintained by it, and shall determine the type
 22 of construction or maintenance for that road or city street.
- 23 (3) In the establishment of the state primary road system, the Department of Highways
 24 is authorized to select new routes, deviate from an existing route whenever it deems
 25 such deviation proper, eliminate from the state primary system roads or city streets
 26 which have been replaced as proper part of the system by the construction of a new
 27 facility or the selection of a new route. No permanent ingress or egress ramp of the

1 state primary road system on fully controlled access facilities shall be closed, except
 2 for repairs, unless a public hearing is first held in the area to be affected by the
 3 closing. The Department of Highways shall, at least twenty (20) days before the
 4 hearing, advertise in a newspaper of general circulation in the area to be affected by
 5 the closing, the date, time, and place of the hearing.

6 (4) Prior to the advertisement for bids on any highway construction project, the
 7 Department of Highways shall meet with the fiscal court in the jurisdiction of the
 8 construction project for the purpose of advising the fiscal court of any state road or
 9 road segment which the department may seek to eliminate from the state primary
 10 road system upon completion of that highway construction project. The
 11 requirement of this subsection shall be in addition to the requirements of subsection
 12 (5) of this section.

13 (5) The department shall notify the fiscal court of the county at least four (4) months
 14 before it eliminates a road, road segment, bridge, or street in that county from the
 15 state primary road system. Upon receiving notice, the fiscal court may reject title
 16 and notify the department that the road shall not become part of the county road
 17 system. If the fiscal court declines, the department shall give notice to all private
 18 persons entitled to a necessary access over this road of their rights under this
 19 chapter; and, by petition of any private party entitled to such access, the road shall
 20 be deemed a discontinued state road and shall be closed to public use but remain
 21 open in accordance with its condition and use for the access of the private parties
 22 involved. In the absence of such petition, title shall be transferred to the owner or
 23 owners of the tract or tracts of land to which the road originally belonged.

24 (6) As used in this section, the term "rural secondary roads" shall mean such system of
 25 roads in this state which are usually considered farm to market roads and that were
 26 classified as part of the rural secondary road system by the Department of Highways
 27 on January 1, 1986. By January 1, 1987, the Department of Intergovernmental

1 **Programs**~~[Rural and Municipal Aid]~~ shall meet with the fiscal courts in each of the
 2 counties to receive recommendations regarding the transfer of roads, included as
 3 part of the county road system on January 1, 1986, to the rural secondary system.
 4 Prior to such meeting with the Department of **Intergovernmental Programs**~~[Rural
 5 and Municipal Aid]~~, the fiscal court shall consult with the legislative bodies of
 6 municipalities within the county regarding their recommendations for the transfer of
 7 county roads located within the jurisdiction of the municipality. On July 1, 1987,
 8 the Transportation Cabinet shall by official order accept at least two thousand
 9 (2,000) miles of roads in the county road system into the rural secondary system. In
 10 accepting such roads into the rural secondary system, the Transportation Cabinet
 11 shall accept in each county at least seventy-five percent (75%) of the total number
 12 of miles in each county determined by multiplying the total number of county road
 13 miles accepted in the rural secondary system by the percentage of county road aid
 14 funds received in each county in fiscal year 1984-85 compared to the total amount
 15 of county road aid funds generated in fiscal year 1984-85. The determination of the
 16 total funds received by each county from the county road aid program in fiscal year
 17 1984-85 and the total amount of county road aid funds generated in fiscal year
 18 1984-85 shall be made by the Department of **Intergovernmental Programs**~~[Rural
 19 and Municipal Aid]~~. The roads so transferred shall be maintained with the proceeds
 20 of the provisions of KRS 177.320(1) and in no case shall the rural secondary
 21 system, as defined in this subsection, be less than eleven thousand eight hundred
 22 (11,800) miles.

- 23 (7) The establishment, construction, or maintenance of the state primary road system
 24 shall be under the direction and control of the Department of Highways. The
 25 commissioner of highways is authorized to adopt regulations necessary to the
 26 administration of this authority.

27 Section 7. KRS 177.330 is amended to read as follows:

1 (1) At least once in each calendar year, the Department of *Intergovernmental*
 2 *Programs*~~[Rural and Municipal Aid]~~, through a duly-authorized representative,
 3 shall consult with the fiscal courts of the various counties for the purpose of
 4 receiving recommendations from the fiscal courts for the selection of rural and
 5 secondary roads lying within the counties for construction, reconstruction, or
 6 maintenance under the Rural and Secondary Road Program as set forth in KRS
 7 177.320(1). The Department of *Intergovernmental Programs*~~[Rural and Municipal~~
 8 ~~Aid]~~ may receive recommendations from any citizen on the selection of rural and
 9 secondary roads for construction, reconstruction, or maintenance under the Rural
 10 and Secondary Road Program. The Department of Highways shall notify each
 11 county fiscal court of the county roads that the department intends to construct,
 12 reconstruct, or maintain in accordance with the provisions of KRS Chapters 177 and
 13 179.

14 (2) Where the construction of a secondary or rural road through an incorporated town
 15 of the fifth or sixth class is necessary, as determined by the *Intergovernmental*
 16 *Programs*~~[Department of Rural and Municipal Aid]~~, the road may be constructed,
 17 reconstructed, or maintained at the discretion of the Department of
 18 *Intergovernmental Programs*~~[Rural and Municipal Aid]~~.

19 Section 8. KRS 177.340 is amended to read as follows:

20 If, within thirty (30) days after consulting with a fiscal court, the Department of
 21 *Intergovernmental Programs*~~[Rural and Municipal Aid]~~ and the fiscal court shall fail to
 22 agree on the selection of any rural and secondary roads for construction, reconstruction,
 23 or maintenance under the Rural and Secondary Road Program, the department may
 24 proceed toward the construction, reconstruction, or maintenance of any road, which, in its
 25 discretion, is essential to a system of secondary highways. Rural and secondary roads,
 26 constructed, reconstructed, or maintained in accordance with agreement between the
 27 affected county and the Department of *Intergovernmental Programs*~~[Rural and~~

1 ~~Municipal Aid~~], or selected for construction, reconstruction, or maintenance by the
 2 Department of *Intergovernmental Programs*~~[Rural and Municipal Aid]~~, at its discretion,
 3 without agreement with the affected county, may become a part of the highway system of
 4 the Commonwealth of Kentucky at the discretion of the Department of Highways.

5 Section 9. KRS 177.350 is amended to read as follows:

6 The Department of *Intergovernmental Programs*~~[Rural and Municipal Aid]~~ may
 7 promulgate administrative regulations pursuant to KRS Chapter 13A to establish
 8 standards for the construction, reconstruction, maintenance, and improvement of rural
 9 and secondary roads in the Commonwealth of Kentucky. The department shall conduct
 10 studies, make surveys, prepare maps, employ personnel, and obtain equipment as may be
 11 necessary for the establishment and maintenance of an integrated system of secondary and
 12 rural roads in the Commonwealth of Kentucky.

13 Section 10. KRS 177.360 is amended to read as follows:

14 (1) Except as provided in subsection (5) of this section, the Department of
 15 *Intergovernmental Programs*~~[Rural and Municipal Aid]~~ shall allocate the funds set
 16 apart under KRS 177.320(1) for construction, reconstruction, and maintenance of
 17 state-maintained secondary and rural highways as follows:

18 (a) One-fifth (1/5) shall be apportioned equally among the one hundred twenty
 19 (120) counties.

20 (b) One-fifth (1/5) shall be apportioned among the one hundred twenty (120)
 21 counties on the basis of the ratio which the rural population of each county
 22 bears to the total rural population of the state. "Rural population" as used here
 23 means the population in a county outside cities, towns, and urban areas having
 24 a population of twenty-five hundred (2,500) or more as shown by the most
 25 recent decennial census of the United States Bureau of the Census, and county
 26 population shall be determined by the most recent decennial census of the
 27 United States Bureau of the Census.

- 1 (c) One-fifth ($1/5$) shall be apportioned among the one hundred twenty (120)
 2 counties on the basis of the ratio that the public road mileage outside of cities,
 3 towns, and urban areas having a population of twenty-five hundred (2,500) or
 4 more bears to the total mileage of such roads for the entire state.
- 5 (d) Two-fifths ($2/5$) shall be apportioned among the one hundred twenty (120)
 6 counties on the basis of the ratio which the square-mile rural area of the
 7 county bears to the total square-mile rural area of the state. "Rural area" as
 8 used here means that area of the county outside of cities, towns, and urban
 9 areas having a population of twenty-five hundred (2,500) or more and shown
 10 by the most recent decennial census of the United States Bureau of the
 11 Census.
- 12 (2) A sum not exceeding six percent (6%) of the allocation provided by KRS
 13 177.320(1) to each county shall be deducted at the beginning of each fiscal year and
 14 adjusted quarterly to cover the maintenance, administrative, engineering, and other
 15 costs of the program.
- 16 (3) Of the total amount apportioned by the provisions of this section, a sum not
 17 exceeding six percent (6%) may be deducted and placed by the Department of
 18 Intergovernmental Programs~~[Rural and Municipal Aid]~~ in a special emergency
 19 account to be expended at the direction of the commissioner to meet unforeseen
 20 emergencies on rural and secondary roads and bridges.
- 21 (4) Apportionments as required by the provisions of this section shall be made on the
 22 basis of revenue estimates supplied by the Finance and Administration Cabinet and
 23 adjusted quarterly in accordance with the most recent revision of the estimates by
 24 the Finance and Administration Cabinet.
- 25 (5) Any county eligible to receive county road aid moneys in accordance with KRS
 26 177.320 and this section shall be required to submit a uniform financial information
 27 report to the Department for Local Government in accordance with KRS 65.905

before any payment of county road aid funds shall be made. The Department for Local Government shall notify the Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ no later than March 1 annually of any county that has not submitted a uniform financial information report. The Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ shall upon notification by the department immediately suspend all county road aid moneys to the county until the county complies with the provisions of KRS 65.900 to 65.915 and submits the uniform financial information report to the Department for Local Government. The department shall immediately notify the Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ to reinstate county road aid moneys to any county affected by this subsection as soon as the county submits the uniform financial information report.

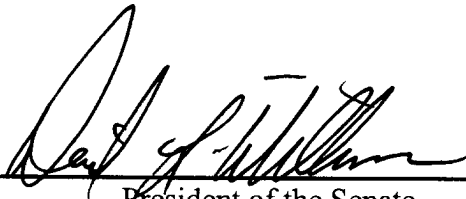
Section 11. KRS 179.400 is amended to read as follows:

- (1) The fiscal court of any county receiving state aid shall appropriate sufficient money to keep all county roads in the county in good repair and free from obstructions. The cost of all repairs and removals of obstruction shall be paid by the treasurer of the county upon the order of the fiscal court, and all bills for repairs or for removal of obstructions shall be verified by affidavit, and shall be certified to be correct by the county engineer.
- (2) The fiscal court of any county receiving state aid may, if it deems proper, enter into contract or cooperative agreement with the Department of **Intergovernmental Programs**~~[Rural and Municipal Aid]~~ for the construction, reconstruction and maintenance of county roads and bridges selected by the fiscal court. Any contract or cooperative agreement shall designate those roads which the department shall be required to construct, reconstruct or maintain and shall not be in excess of the projected county allotment for any one (1) fiscal year. The county shall not be responsible for payment to the department of any costs not specified with the

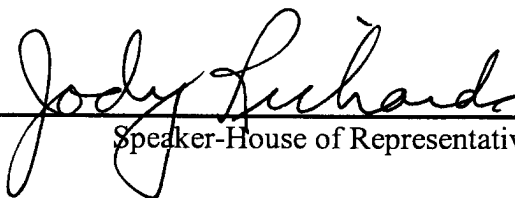
1 contract or cooperative agreement.

2 Section 12. In order to reflect the reorganization effectuated by this Act, the reviser
3 of statutes shall replace references in the Kentucky Revised Statutes to the agencies,
4 subagencies, and officers affected by this Act with references to the appropriate successor
5 agencies, subagencies, and officers established by this Act. The reviser of statutes shall
6 base these actions on the functions assigned to the new entities by this Act and may
7 consult with officers of the affected agencies, or their designees, to receive suggestions.

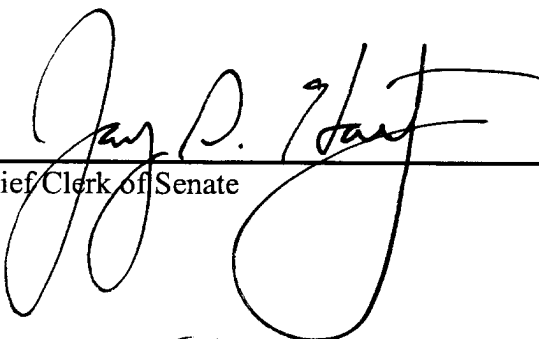
8 Section 13. Notwithstanding the provisions of KRS 12.028, the General Assembly
9 confirms Executive Order 2004-724, dated July 9, 2004, Executive Order 2004-960,
10 dated August 31, 2004, Executive Order 2004-1052, dated September 27, 2004,
11 Executive Order 2004-1202, dated November 5, 2004, and Executive Order 2004-1360,
12 dated December 21, 2004, to the extent that they are not otherwise confirmed by this Act.



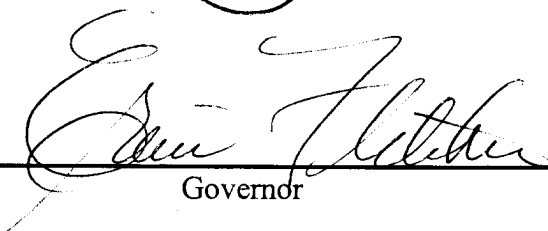
President of the Senate



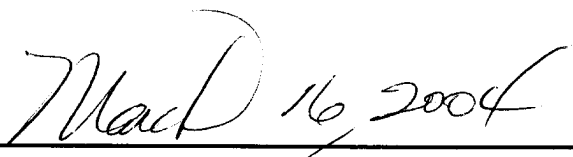
Speaker-House of Representatives

Attest: 

Chief Clerk of Senate

Approved 

Governor

Date 

March 16, 2004